

Module 2 HR

Consultants

Using HR Consultants

This section looks both at sub-contracting particular human resources services which could otherwise be provided internally, and at change consultancy, where the consultant brings an external perspective which could not be obtained in any other way.

Human resources consultants are often called in initially for their specific expertise but many find that, even in this case, diagnosis is important, and there are often follow-on opportunities for broader organizational development.

There are a number of reasons for using HR consultants. These include:

- the provision of interim or other temporary services, specialist expertise such as employment law, and general support such as coaching.
- They also include more substantial involvement with change, either just at the diagnostic stage or throughout the change process.

There are different modes of consulting, of which the process mode is preferable whenever problems are at all complex.

Choosing a Human Resources Consultant

Choosing a service provider tends to be far more difficult than choosing a supplier of goods. While there may be tangible components in the service an HR consultant offers, what HR consultants provide is largely intangible.

Imagine that you are considering using consultants for one of the reasons given in the introduction to this unit. What issues would you want to consider before deciding to go ahead?

There are major issues of control and risk to be taken into consideration. Thus you may have raised questions similar to those which follow.

Issues to be addressed when deciding whether to employ consultants include the following:

- What risks are associated with use of a consultant? Where would the power lie in the relationship?
- What expertise does the consultant bring that you lack?
- Would it be better to develop this expertise internally rather than seek it externally?
- How can you be sure that the consultant has the claimed expertise and will actually deliver as promised?
- What other advantages are there to using a consultant and are there alternative ways of achieving these?

Organizations are faced with the following difficulties in choosing a consultant:

- Determining the precise nature of the consultant's services in advance - what exactly is being offered?
- Comparing this service to the services offered by other providers (and identifying these in

the first place)

- Knowing what to pay
- Evaluating the service afterwards.
- Knowing the nature of the service that you wish to purchase.

While a good consultant, and one who is suitable for your context, can be hugely successful,

A failed change intervention is not only more expensive than a bad haircut but seriously more disastrous.

Clients seeking HR consultancy often face real and urgent problems to which they are expecting consultants to provide a solution. When major change exercises are being planned, any changes made in the light of consultant recommendations are likely to be extensive, expensive and irreversible. For this reason, evaluation of provision is important throughout the consultancy, to allow for adjustments where necessary during the process, to ensure that the consultant has delivered what was promised, to identify what else needs to be done and, most importantly, to inform future involvement with consultants.

Using Approved HR Consultants

Organizations are increasingly seeking to 'rationalize' provision of services. Such rationalization often includes keeping lists of 'approved' HR consultants from which choice must be made and standardizing procurement procedures.

There are potential advantages and disadvantages of such 'approved lists', from the perspective of both purchaser and provider.

Advantages for purchaser

- vetted suppliers
- economies of scale
- leading to potentially better deals
- speedier provision of services as there are fewer stages in the tendering process
- greater control over quality
- increased bargaining power
- over costs

Advantage for provider

- Advantages for the HR consultant as provider may include:
- less time/cost spent in the tendering process.
- Less time wasting as the purchaser more likely to buy from you.
- The ability to build up knowledge of the client.
- Greater likelihood of being paid if a formal agreement exists.
- Improved forecasting/knowledge of where future business will come from.

Disadvantage for Purchasers

Disadvantages for the organization as purchaser may include:

working from a list which features only the 'big' players - major names who tend to have a range of fairly standardized packages that may not fit your particular needs
being faced with different consultants each time, even though you are using the same consultancy, which makes it difficult to build a relationship

For a HR consultant as provider

the disadvantages will depend on whether they are on or off the list!
Traditionally, there have been few barriers to entry to offering consultancy. A move towards approved lists' constitutes a major barrier, which means that new entrants will need to focus on organizations not operating such a list or on open invitations to tender.

Assessing the HR Consultant

Once you have a reasonably clear idea of what you are looking for and have identified potential HR consultants, you may need to find out more about them before you can choose.

Ideally, you will gather information from as many sources as possible, and, as with any such information, evaluate its reliability and relevance to your particular context. The clearer you are about the nature of the intervention that you require, and the key features of the context in which this will occur, the better placed you will be to select an appropriate provider.

- A list of questions would include:

- Can they do the task as described and do they add something extra beyond my own staff?
- Can they listen as well as talk?
- Can they write well?
- Will they fit into the organizational culture? If not, can they be adapted or will I need to find a 'bridge'?
- Are their presentation skills good enough to be convincing in front of the most senior levels of the organization?
- Is the team of the right mixes, and is there other expert back-up if necessary?
- Are they local enough that they can attend regular meetings? If not, have they good electronic links?

One of the more visible parts of the service many HR consultants offer is the model or models on which they base their work.

The HR consultant will normally start by trying to understand the client perspective, but then seek to expand that perspective, using theory and experience from elsewhere.

Such models may look superb in publicity material and may impress the majority of 'naïve' purchasers. You should be able critically to assess both individual models used and the 'package' they comprise.

If a model does not make sense to you or feels 'wrong', and questioning does not enable you to understand it, then it is unlikely to form a useful basis for working together.

Relevant questions include:

- Is the model meaningful?
- Does it make sense to you in the light of your own experience?
- Is there relevant and adequate empirical evidence for the model/theory?
- Does the proposed approach include an element of diagnosis?
- Is the model or set of models likely to include all the key elements in the situation which are likely to need addressing?
- Having started to discuss the situation with the consultant, have I already come to understand it better?

HR Consultant as Coach or Mentor

A fast-growing area of HR consultancy in recent years has been coaching or mentoring. Let us consider what is involved in choosing a consultant to work as a coach/mentor for a chief executive. You would clearly need to ensure that both parties felt they could work productively together, and that the HR director or other selector was convinced that the coach had the credibility and experience to be successful in the role. Click on the links below to review the nine stages of the selection process.

Stage 1

Identify and specify the exact issue to be addressed with the CEO (e.g. this might include their management style).

Stage 2

Identify consultancy firms who have experience of working successfully with top managers.

Stage 3

Ask these consultancies to indicate how they work in general terms, how they would approach the specific issue, and what they would charge.

Stage 4

Draw up a shortlist of two or three possible coaches on the basis of this information

Stage 5

Interview the coaches on this shortlist and arranging for them to meet the CEO.

Stage 6

The CEO selects their preferred coach.

Stage 7

Give the chosen consultant a more in-depth briefing about the organization and the issues, and arrange for them to have a much longer meeting with the CEO.

Stage 8

Go back to an earlier stage if at any point the HR personnel involved, the CEO or the consultant have reservations about the possible success of the relationship and/or assignment.

Stage9

once no reservations remain, draw up any necessary contractual arrangements, and arrange a first session.